

# WALLER LANSDEN DORTCH & DAVIS

A PROFESSIONAL LIMITED LIABILITY COMPANY

NASHVILLE CITY CENTER  
511 UNION STREET, SUITE 2100  
POST OFFICE BOX 198966  
NASHVILLE, TENNESSEE 37219-8966  
(615) 244-6380

FACSIMILE  
(615) 244-6804  
WWW.WALLERLAW.COM

D Billye Sanders  
(615) 252-2451  
bsanders@wallerlaw.com

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REGULATORY AUTHORITY  
NOV 8 AM 8 10  
809 SOUTH MAIN STREET  
P. O. Box 1035  
COLUMBIA, TN 38402-1035  
(931) 388-6031

November 5, 1999

## Via Hand-Delivery

K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37219

99-00856


Re: Application of Connect!LD, Inc. for a Certificate of Public Convenience and Necessity to Provide Competing Switched-Based and Resold Interexchange Telecommunications Services in the State of Tennessee

Dear Mr. Waddell:

Enclosed you will find the original and thirteen (13) copies of a Application of Connect!LD, Inc. for a Certificate of Public Convenience and Necessity to provide competing switched-based and resold local telecommunications services in the State of Tennessee and a check for \$25 for the filing fee. Exhibits E, F and G to the Application contain **confidential** and **proprietary** financial information and are filed under seal. The applicant respectfully requests that these documents be treated as confidential and not disclosed to the public.

Please contact me if you need additional information.

Sincerely,



D. Billye Sanders

DBS:lmb  
w/Enclosures

cc: Erin R. Swansiger, Esq.  
Ms. Cindy Lee

**Before the  
TENNESSEE REGULATORY AUTHORITY**

**Application of** )  
 )  
**CONNECT!LD, INC.** )  
 )  
**For a Certificate of Public Convenience** )  
**And Necessity to Provide Competing** )  
**Switched-Based Resold Interexchange** )  
**Telecommunications Services** )  
**In the State of Tennessee** )

**Docket No.**

99-00856

**APPLICATION OF CONNECT!LD, INC. FOR A CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY**

Pursuant to TENN. CODE ANN. § 65-4-201 and to Chapter 1220-4-2-.55 of the Tennessee Regulatory Authority's ("TRA's") regulations for intrastate interexchange telecommunications service providers, Connect!LD, Inc. ("Connect!LD" or "Company"), by its attorneys, hereby respectfully requests that the TRA grant it the authority to provide switched-based resold interexchange telecommunications services throughout the entire State of Tennessee.

As demonstrated below, Connect!LD's Application for a Certificate of Public Convenience and Necessity ("CPCN") to provide competitive switched-based resold interexchange telecommunications services in the State of Tennessee ("Application") satisfies the requirements set forth in TENN. CODE ANN. § 65-4-201 and in Chapter 1220-4-2-.55 of the TRA's rules. Connect!LD has confirmed that it will adhere to all applicable TRA policies, rules, and orders. Moreover, the increased competition that Connect!LD will bring to the State of Tennessee has the potential to reduce prices, create new jobs, and increase financial investments.

As a result, Connect!LD's Application is in the public interest and accordingly, should be granted by the TRA

In support of its Application, Connect!LD submits the following information:

**I. DESCRIPTION OF THE CONNECT!LD AND ITS CORPORATE AUTHORITY**

**A. CORPORATE INFORMATION**

1. Connect!LD is a privately-held corporation organized under the laws of the State of Nevada. A copy of Connect!LD's Articles of Incorporation is appended hereto as *Exhibit A*. A copy of Connect!LD's authorization to transact business in Tennessee is appended hereto as *Exhibit B*.

2. Connect!LD is a wholly-owned subsidiary of Connect Holdings Corporation, a Nevada corporation. Connect Holdings Corporation is a sister company of Connect Communications Corp. ("CCC"), an Arkansas corporation. Connect!LD will rely upon its affiliate company, CCC, for all financial, technical and managerial support. CCC was organized to provide both local and long distance telecommunications services to small and medium-sized business customers in the State of Tennessee and throughout the United States. A Chart depicting the Company's internal corporate structure is appended hereto as *Exhibit C*. The Applicant may be reached at its affiliate company's principal place of business, which is located at:

124 West Capitol Avenue  
Suite 250  
Little Rock, AR 72201  
Telephone: (501) 401-7700  
Facsimile: (501) 401-7799

**B. OFFICERS**

3. The Applicant's principal corporate officers and management personnel, located at the same address, are listed below:

Ted L. Snider, Jr.	Chief Executive Officer, Chairman
Glenn Custar	Chief Financial Officer
Bill Jester	Vice President and Director of Operations
Richard Spavins	Director of Network Engineering
Ed Moore	Director of Regulatory Affairs
Shannon Ligon	Human Resources Director
Cal Arnold	Director of Marketing
Phillip Kennedy	Network Operations Manager
Dave Granere	Western Regional Manager
Stephen D. Crow	Southeast Regional Manager

**C. REGULATORY CONTACT INFORMATION**

4. Questions and correspondence regarding this Application should be directed to the Company's regulatory counsel:

D. Billye Sanders, Esq.  
WALLER, LANSDEN, DORTCH & DAVIS  
A Professional Limited Liability Company  
511 Union Street, Suite 2100  
Nashville, Tennessee 37219-1760  
(615) 244-6380

and

Jonathan E. Canis, Esq.  
Erin R. Swansiger, Esq.  
KELLEY DRYE & WARREN LLP  
1200 19th Street, N.W., Suite 500  
Washington, D.C. 20036  
(202) 955-9600

Copies of all correspondence also should be sent to:

Cindy Lee, Manager of Regulatory Affairs  
Connect!LD, Inc.  
124 West Capitol Avenue  
Suite 250  
Little Rock, AR 72201  
Telephone: (501) 401-7760  
Facsimile: (501) 401-7799

## **II. SERVICES**

### **A. SWITCHED-BASED RESOLD INTERSTATE INTEREXCHANGE SERVICES**

5. The Company plans to offer full range of switched-based resold interexchange services in Tennessee, using a combination of its own switches and the underlying transmission facilities of a facilities-based carrier or carriers of the Company's choice. Such services will include: "1+" and "0+" capabilities, and access to "10-1X-XXXX" services, switched inbound calling, switched outbound calling, dedicated inbound calling, dedicated outbound calling, toll directory assistance and operator services. The Company may expand its long distance service offerings at a later date to include other interexchange services. All of Connect!LD's long distance services will be provided pursuant to the terms and conditions set forth in Connect!LD's proposed intrastate services tariff, which will be filed with the TRA following approval of this Application.

6. The Company's local exchange carrier affiliate, CCCTN, Inc., d/b/a Connect!, a Nebraska corporation, will provide a full range of resold and facilities-based local exchange telecommunications services to Tennessee business customers. To this end, CCCTN, Inc. d/b/a

Connect! has filed, concurrently with this Application, an Application for a CPCN to provide local exchange services in Tennessee.

**B. PROPOSED SERVICE AREA**

7. Connect!LD intends to provide switched-based resold intrastate interexchange telecommunications services throughout the State of Tennessee.

**C. STATES IN WHICH THE APPLICANT AND ITS AFFILIATES ARE AUTHORIZED TO PROVIDE TELECOMMUNICATIONS SERVICES**

8. Connect!LD's affiliate company CCC was formed to provide all forms of telecommunications services, including resold and facilities-based local and switched-based resold interexchange services. CCC's affiliates are authorized to provide resold and facilities-based local exchange services, by virtue of certification, registration or tariff requirements, or on a deregulated basis, in the following states: Alabama, Arkansas, California, Colorado, Florida, Idaho, Kansas, Louisiana, Massachusetts, Michigan, Montana, Nevada, New Hampshire, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah and Washington. Through its affiliates, CCC is operational in Arkansas and Rhode Island. In addition, Connect!LD is authorized to provide interexchange telecommunications service in Arkansas, California, Colorado, Florida, Idaho, Massachusetts, Michigan, Montana, Nevada, New Hampshire, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Washington and Wisconsin.

9. Neither the Applicant nor any of its affiliates has been denied authority to provide telecommunications service in any jurisdiction, nor is any such action pending. Neither the

Applicant nor any of its affiliates has had its authorization to provide telecommunications services revoked in any state.

**III. MANAGERIAL, TECHNICAL AND FINANCIAL ABILITY OF CONNECT!LD**

10. In support of its application, Connect!LD submits the following information to demonstrate that it has sufficient managerial and technological telecommunications experience, as well as the financial resources adequate to ensure its continued provision of interexchange telecommunications services within the State of Tennessee.

**A. MANAGERIAL AND TECHNICAL QUALIFICATIONS**

11. Connect!LD is well qualified managerially, technically and financially to provide the facilities-based and resold competitive local exchange telecommunications services for which authority is requested in this Application. Because the Applicant is a start-up company, it will rely upon the corporate management personnel of its affiliate company, CCC, for technical and managerial expertise. The Company's management team includes individuals with substantial experience in successfully developing, growing and operating telecommunications businesses. This is evident by the fact that, between them, five of CCC's corporate officers and managers have more than one hundred (100) years of experience in the telecommunications industry. Specific details of CCC's management and technical experience are appended hereto as ***Exhibit D***, which contains the biographies of the key management and operational personnel responsible for Connect!LD's telecommunications services in Tennessee

12. Connect! will use Lucent TNT/ASG data switches and Mitel GX5000 voice switches and related equipment for its Tennessee operations.

13. Every effort will be made to ensure that Customer Premises Equipment (“CPE”) does not require special modifications to utilize Connect!’s services. As a result, in the event that a former Connect! customer chooses to sign up for the service offerings of another local exchange carrier (the incumbent carrier or otherwise), the customer is not likely to have been placed in a situation where it was required to purchase CPE that is not useful or compatible with the ILEC or other competitive carrier systems.

**B. FINANCIAL QUALIFICATIONS**

14. Connect!LD has access to the financing and capital necessary to conduct the telecommunications operations as specified in this Application. As a recently-formed affiliate of CCC and new entrant to the Tennessee telecommunications industry, the Applicant does not yet have its own financial statements or financial history. As a result, Connect!LD will rely on the financial resources of its affiliate, CCC, to provide the initial capital investment and funding for its Tennessee operations.

15. As a new company, Connect!LD currently is in the process of making network investments, as well as securing vendors for the equipment and construction of its network in Tennessee. Nevertheless, as is evident from the verified, unaudited<sup>1</sup> financial statements (*see* Balance Sheet, Statement of Operations and Cash Flow statement of CCC), which are being filed with this Application *under seal* as ***Exhibit E***, Connect!LD has the necessary financial resources

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<sup>1</sup> As attested by both the President and the Chief Financial Officer of CCC, due to its status as a recently-formed, privately held-company, CCC currently has no audited financial statements. Given the fact that the preparation of an audit would be extremely cost-prohibitive and unreasonably burdensome for a small, newly-created company like CCC, the Company respectfully requests that the Commission accept its verified, unaudited financial statements, as set forth in ***Exhibit E***.



to provide the interexchange telecommunications services described in this Application, and to finance its Tennessee operations, in order to maintain the provision of these services.

16. Also appended to this Application and filed *under seal* as **Exhibit F** are the Connect!LD's *projected* financial statements (including Balance Sheet, Statement of Operations, and Cash Flow Statement) for the next three (3) years.

17. As demonstrated in its Cash Flow statement, Connect!LD has access to ample working capital to fund the construction and operation of Connect!LD's telecommunications network in Tennessee, and to meet any lease and ownership obligations associated with its provision of interexchange telecommunications services in Tennessee. This capital will enable Connect!LD to meet the projected operating expenditures for its Tennessee operations over the next three years set forth in the capital budget appended to this Application as **Exhibit G**. As demonstrated by **Exhibits E, F and G**, Connect!LD has adequate access to the financial resources necessary to enable it to meet its working capital requirements in Tennessee for the next several years.

18. Please note that the information provided in **Exhibits E, F and G** is privileged and confidential and is being submitted *under seal* solely for the purpose of the TRA's *in camera* review. Accordingly, the Applicant respectfully requests that the information contained therein not be divulged to the public.

#### **IV. REPAIR AND MAINTENANCE/CUSTOMER SERVICE INFORMATION**

19. CCC will maintain a customer service department for purposes of addressing all of Connect!LD's customer inquiries, needs and complaints, including issues relating to billing, service quality, and maintenance. The Company's toll-free number for customer service, which

is available 24 hours/day, 7 days/week, is (877) 200-5022. The Company's toll-free number for repairs/maintenance service, which is available 24 hours/day, 7 days/week, is (877) 689-1777.

Customers wishing to communicate with a Connect!LD customer service representative in writing can write to Connect!LD at its affiliate company headquarters:

Connect Communications Corp.  
124 West Capitol Avenue  
Suite 250  
Little Rock, AR 72201

All questions regarding the Company's Tennessee operations may be addressed to:

Cindy Lee, Manager of Regulatory Affairs  
Connect!LD, Inc.  
124 West Capitol Avenue  
Suite 250  
Little Rock, AR 72201  
Telephone: (501) 401-7760  
Facsimile: (501) 401-7799

**V. SMALL AND MINORITY-OWNED BUSINESS PARTICIPATION PLAN**

20. Please see *Exhibit H*.

**VI. MISCELLANEOUS**

21. In accordance with Section VII of the TRA's *Check List for Competing Telecommunications Service Providers*, Connect!LD provides the following information:

- (a) Notarized, pre-filed testimony will be submitted prior to the time the application is heard.
- (b) The procedures that Connect!LD has taken to ensure Y2K compliance are set forth in the letter appended to this Application as *Exhibit I*.

- (c) Connect!LD will file its tariff subsequent to the TRA's approval of this Application.
- (d) In Section II.C *infra*, Connect!LD has provided information regarding the status of its applications in all other states.
- (e) Connect!LD has not been involved in any pertinent mergers or acquisitions. The Applicant's Corporate Structure is appended hereto as *Exhibit C*.
- (f) Connect!LD agrees to submit the Wireline Activity Report to the TRA on a monthly basis for its voice grade services.
- (g) Connect!LD will not require customer deposits.
- (h) Tennessee customers will not be required to incur any non-recurring charges ("NRCs") for Connect!LD's interexchange telecommunications services.

## **VII. STATEMENT OF COMPLIANCE**

22. Connect!LD agrees to comply with and abide by all applicable statutes and orders, rules and regulations entered and adopted by the TRA, and any that the TRA may promulgate in the future. Connect!LD also agrees to comply with the TRA's requirements regarding technology deployment, service standards, extended area services ("EAS") toll-free calling plans, universal service, equal access and basic service standards. Further, Connect!LD will comply with TRA rule 1220-4-2-.56 when switching a customer to its Preferred Interexchange Carrier ("PIC").

### **VIII. PUBLIC INTEREST**

23. Approval of this Application is in the public interest because Connect!LD is well-qualified – technically, managerially, and financially – to serve the Tennessee public as a switch-based interexchange carrier. Moreover, permitting Connect!LD to provide the services described in this Application will expand long distance service options for customers in Tennessee, and will increase competition in Tennessee by expanding the diversity of suppliers and competition within the interexchange telecommunications market -- without any adverse impact on the Commission's goals of universal service and affordable telecommunications services for the residents of Tennessee.

24. Connect!LD's participation in the market for interexchange telecommunications services in Tennessee will promote consumer choice by expanding the availability of innovative, high quality, reliable and competitively-priced telecommunications services. Approval of this Application also is likely to compel other long distance telecommunications providers to improve their existing services, increase the quality and efficiency of their operations, and introduce innovative new services of their own. Moreover, the addition of Connect!LD to the Tennessee telecommunications market makes it probable that consumers of telecommunications services in Tennessee will receive the benefits of downward pressure on prices, improved customer responsiveness, and access to increasingly advanced telecommunications technology.

WHEREFORE, Connect!LD, Inc. respectfully requests that the TRA grant it a Certificate of Public Convenience and Necessity to provide competing switched-based resold interexchange telecommunications services in the State of Tennessee.

Respectfully submitted,

**CONNECT!LD, INC.**

By: *D. Billye Sanders*  
D. Billye Sanders, Esq.  
WALLER, LANSDEN, DORTCH & DAVIS  
A Professional Limited Liability Company  
511 Union Street, Suite 2100  
Nashville, Tennessee 37219-1760  
(615) 244-6380

and

Jonathan E. Canis, Esq.  
Erin R. Swansiger, Esq.  
KELLEY, DRYE & WARREN LLP  
1200 19th Street, N.W.  
Suite 500  
Washington, D.C. 20036  
(202) 955-9600

Its Attorneys

## VERIFICATION

[Commonwealth/State] of Arkansas :

: **ss.**


County of Pulaski :

**Bill Jester**, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the **Vice President and Director of Operations** (Office of Affiant) of Connect Communications Corp.

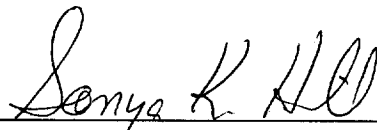
That he is authorized to and does make this affidavit on behalf of Connect!LD, Inc.;

That the facts above set forth are true and correct to the best of his knowledge, information, and belief and that he expects said corporation to be able to prove the same at any hearing hereof.

  
\_\_\_\_\_  
Bill Jester  
Vice President and Director of Operations  
Connect Communications Corp.

Sworn and subscribed before me this 25<sup>th</sup> day of October, 19 99

////////////////////////////////////  
Sonya K. Hill  
Notary Public, State of Arkansas  
Pulaski County  
My Commission Expires 04/05/05  
////////////////////////////////////

  
\_\_\_\_\_  
Signature of official administering oath

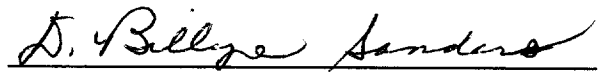
My commission expires 04/05/05

BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

APPLICATION OF CONNECT!LD, INC.	)	
FOR A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY	)	
TO PROVIDE COMPETING	)	Docket No.
SWITCH-BASED RESOLD	)	
INTEREXCHANGE TELECOMMUNI-	)	
CATIONS SERVICE IN THE STATE	)	
OF TENNESSEE	)	

**NOTICE OF FILING OF APPLICATION OF CONNECT!LD, INC.**

Pursuant to T.C.A. §65-4-201, Connect!LD, Inc. hereby serves notice of its filing with the Tennessee Regulatory Authority (TRA) of an application for a certificate of public convenience and necessity to provide competing switched-based resold interexchange telecommunications services in Tennessee on this the 5<sup>th</sup> day of November, 1999. Copies of the application, excluding any confidential exhibits, are available from the TRA, as well as from the office of D. Billye Sanders, Esq., Waller Lansden Dortch & Davis, 511 Union Street, Suite 2100, Nashville, Tennessee 37219.

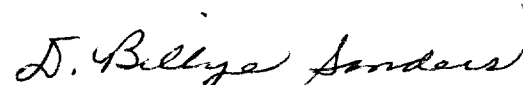
  
D. Billye Sanders, Esq.  
WALLER, LANSDEN, DORTCH & DAVIS  
A Professional Limited Liability Company  
511 Union Street, Suite 2100  
Nashville, Tennessee 37219  
(615) 244-6380

Jonathan E. Canis, Esq.  
Erin R. Swansiger, Esq.  
KELLEY, DRYE & WARREN LLP  
1200 19<sup>th</sup> Street, N.W.  
Washington, D.C. 20036  
(202) 955-9600

Attorneys for Applicant

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Notice of Filing of Application of Connect!LD, Inc. has been served on the attached list of interested parties provided to the Applicant by the TRA by depositing same in the U.S. mail, postage prepaid, on this the 5<sup>th</sup> day of November.

  
D. Billye Sanders



**Incumbent Local Exchange Service Providers**  
**Certified in Tennessee**

**Ardmore Telephone Company, Inc.**

**Terry Wales, General Manager**

517 Ardmore Avenue

P. O. Box 549

Ardmore, TN 38449

(205) 423-2131

(205) 423-2208 (Fax)

**BellSouth**

Guy Hicks, General Counsel

333 Commerce Street

Nashville, TN 37201-3300

(615) 214-3800

(615) 214-8820 (Fax)

**Century Telephone of Adamsville**

**David Dickey, Division Manager**

116 N. Oak Street

P. O. Box 405

Adamsville, TN 38310

(901) 632-3311

(901) 632-0232 (Fax)

**Century Telephone of Claiborne**

**Don Ray Fannon, Division Manager**

507 Main Street

P. O. Box 100

New Tazewell, TN 37825

(423) 626-4242

(423) 626-5224 (Fax)

**Century Telephone of Ooltewah-Collegedale, Inc.**

**Terry Crutchfield, Division Manager**

5616 Main Street

P. O. Box 782

Ooltewah, TN 37363

(423) 238-4102

(423) 238-5699 (Fax)

**Citizens Telecommunications Company of  
Tennessee d/b/a Citizens Communications Company**

**Alice Camuti, Director**  
250 South Franklin Street  
P. O. Box 689  
Cookeville, TN 38501  
(931) 528-0518  
(931) 528-0604 (Fax)

**Loretto Telephone Company, Inc.**

**Louise Brown, President**  
P. O. Box 130  
Loretto, TN 38469  
(931) 853-4351  
(931) 853-4329 (Fax)

**Millington Telephone Company, Inc.**

**W. S. Howard, President**  
4880 Navy Road  
Millington, TN 38053  
(901) 872-3311  
(901) 873-0022 (Fax)

**Sprint-United**

**Steve Parrott, Director-Regulatory Affairs**  
**United Telephone Southeast, Inc.**  
14111 Capital Boulevard  
Wake Forest, NC 27587-5900  
(919) 554-7039  
(800) 733-9045 customer contact #

**TDS Telecom-Concord Telephone Exchange, Inc.**

**Jerry R. Parkerson, Manager**  
701 Concord Road  
P. O. Box 22610  
Knoxville, TN 37933-0610  
(423) 966-5828  
(423) 966-9000 (Fax)

**TDS Telecom-Humphreys County Telephone Company**

**Bernard R. Arnold, Manager**  
203 Long Street  
P. O. Box 552  
New Johnsonville, TN 37134-0552  
(913) 5351-2200  
(931) 535-3309 (Fax)

**TDS Telecom-Tellico Telephone Company, Inc.**

**Carl Lester, Manager**

102 Spence Street

P. O. Box 9

Tellico Plains, TN 37385-0009

(423) 671-4600

(423) 253-7080 (Fax)

**TDS Telecom-Tennessee Telephone Company**

P. O. Box 18139

Knoxville, TN 37928-2139

(423) 922-3535

(423) 922-9515 (Fax)

**TEC-Crockett Telephone Company, Inc.**

P. O. Box 7

Friendship, TN 38034

(901) 677-8181

**TEC-People's Telephone Company, Inc.**

P. O. Box 310

Erin, TN 37061

(913) 289-4221

(913) 289-4220 (Fax)

**TEC-West Tennessee Telephone Company, Inc.**

244 E. Main Street

P. O. Box 10

Bradford, TN 38316

(901) 742-2211

(901) 742-2212 (Fax)

**United Telephone Company**

120 Taylor Street

P. O. Box 38

Chapel Hill, TN 37034

(931) 364-2289

(931) 364-7202 (Fax)

**Citizens Communications Company of the Volunteer  
State d/b/a Citizens Communications Company**

Mike Swatts

300 Bland Street

P. O. Box 770

Bluefield, WV 24701

(304) 325-1216

**Facilities-Based Long Distance Carriers (InterLATA)  
and Competing Local Telecommunications Service  
Providers Certified in Tennessee**

**AT&T Communications**

**Gary Andraza, Assistant Vice President Government Affairs**  
511 Union Street, Suite 1010  
Nashville, TN 37219  
(615) 242-2815  
(800) 222-0300 customer contact #

**MCI Telecommunications Corporation**

**Kathy Pounds, Director, Law and Public Policy**  
780 Johnson Ferry Road, Suite 700  
Atlanta, GA 30342  
(404) 250-5500  
(615) 742-2400 customer contact #

**Sprint Communications Company, L.P.**

**Tony Key, Director, State Regulatory**  
3100 Cumberland Circle  
Atlanta, GA 30339  
(404) 649-5144  
(800) 767-7759 customer contact #

**ACI Corp.**

P. O. Box 198062  
Nashville, TN 37219

**ALEC, Inc.**

222 Kentucky Avenue, Suite 1  
Paducah, KY 42002  
(502) 422-5363

**Alltel Communications, Inc.**

One Allied Drive  
Little Rock, AR 72202  
(501) 905-5692

**American Communications Services, Inc. (ACSI)**

131 National Business Parkway, Suite 100  
Annapolis Junction, MD 20701  
(301) 617-4200

**BellSouth BSE, Inc.**

1100 Peachtree Street, N.W., Suite 500  
Atlanta, Georgia 30309-4599  
(404) 249-2080

**Ben Lomand Communications, Inc.**

111 Smithville Highway  
McMinnville, TN 37110  
(931) 668-1010

**BlueStar Networks, Inc.**

131 2<sup>nd</sup> Avenue North, Fifth Floor  
Nashville, TN 37201  
(615) 255-2100

**Brooks Fiber Communications of TN, Inc.**

800 South Gay Street, Suite 1800  
Knoxville, TN 37924  
(423) 521-9988

**BTI Communications, Inc.**

4300 Six Forks Road  
P. O. Box 150002  
Raleigh, NC 27624

**Citizens Communications Company**

Mike Swatts  
300 Bland Street  
P. O. Box 770  
Bluefield, WV 24701  
(304) 325-1216

**Comm. Depot, Inc.**

889 Bendix Drive  
Jackson, TN 38301  
(901) 426-1650

**DeltaCom, Inc.**

113 South Main Street  
P. O. Box 1233  
Arab, AL 35016  
(205) 586-2715

**Digital Teleport, Inc.**

8112 Maryland Avenue, 4<sup>th</sup> Floor  
St. Louis, MO 63105

**DSL Net Communications, LLC**

545 Long Wharf Drive, 5<sup>th</sup> Floor  
New Haven, CT 06511

**Electric Power Board of Chattanooga**

536 Market Street  
Chattanooga, TN 37402  
(423) 757-1484 Mr. Harold E. DePriest  
(423) 757-1291 Mr. Ronald N. Fugatt

**Global NAPS Gulf, Inc.**

10 Merrymount Road  
Quincy, VA 02169  
(617) 507-5100

**GTE Communications Corp.**

1200 Walnut Hill Lane  
Irving, TX 75038  
(972) 717-8373

**Hyperion of Tennessee, L.P.**

Washington Square, Suite 422  
222 Second Avenue North  
Nashville, TN 37219  
(615) 259-4961

**ICG Telecom Group, Inc.**

2100 West End Avenue, Suite 620  
Nashville, TN 37203  
(615) 251-4440

**Intermedia Communications**

3625 Queen Palm Drive  
Tampa, FL 33619-1309  
(800) 940-0011

**Interpath Communications, Inc.**

1700 Perimeter Park, Suite 100  
Morrisville, NC 25760  
(919) 388-6265

**LCI International Telecom Corp.**

8180 Greensboro Drive, Suite 800  
McLean, Virginia 22101  
(703) 363-0220

**Level 3 Communications, LLC**

1450 Infinite Drive  
Louisville, KY 80027  
(303) 926-3000 Terrence J. Ferguson

**LoadPoint Telecommunications, LLC**

Three Maryland Farms, Suite 320  
Brentwood, TN 37027-5005  
(615) 371-1625

**Logix Communications Corporation**

13429 N. Broadway Extension, Suite 200  
Oklahoma City, OK 73114

**MFS Intelenet of Tennessee, Inc.**

515 East Amite Street, 4<sup>th</sup> Floor  
Jackson, MS 39201

**MCIMetro Access Transmission Services, Inc.**

780 Johnson Ferry Road, #700  
Atlanta, GA 30342  
(770) 284-5492

**Metropolitan Fiber Systems of Tennessee, Inc.**

**Claire Daily, Director Legislative & Regulatory Affairs**  
201 Energy Parkway, Suite 200  
Lafayette, LA 70508  
(800) 489-8031

**Network Plus, Inc.**

234 Copeland Street  
Quincy, MA 02169

**New South Communications, LLC**

355 Woodruff Road  
Greenville, SC 29607  
(864) 627-5050

**NEXTLINK Tennessee**

105 Molloy Street, Suite 300  
Nashville, TN 37201  
(615) 777-7777

**SouthEast Telephone LTD**

317 Main Street, 4<sup>th</sup> Floor  
Pikeville, KY 41501  
(606) 432-3000

**Teligent, Inc.**

8065 Leesburg Pike, Suite 400  
Vienna, VA 22182  
(703) 762-5143

**Time Warner**

P.O. Box 210706  
Nashville, TN 37221

**US LEC of Tennessee**

212 South Tryon Street, Suite 1540  
Charlotte, NC 28281  
(704) 319-1000

**US West Interprise America, Inc.**

1999 Broadway, Suite 700  
Denver, CO 80202  
(303) 293-6326

**WinStar Communications of TN, Inc.**

7799 Leesburg Pike, Suite 401 South  
Tyson's Corner, VA 22043  
(703) 917-6556

**WorldCom Technologies, Inc. (LDDS)**

**Claire Daily, Director Legislative & Regulatory Affairs**  
201 Energy Parkway, Suite 200  
Lafayette, LA 70408  
(800) 489-8031  
(318) 261-2552  
(318) 261-2564 (Fax)

**NA Communications, Inc.**

234 W. Valley Drive  
Abingdon, VA 24210

**Hyperion Communications of Tennessee, L.P.**

DDI Plaza Two  
500 Thomas Street, Suite 400  
Bridgeville, PA 15017



**PV Tel of Tennessee, LLC**

1009 Radcliff Avenue  
Kingsport, TN 37664  
(423) 378-4007

**Frontier Local Services, Inc.**

180 S. Clinton Avenue  
Rochester, NY 14646-0700  
(716) 777-1000

**KMC Telecom III, Inc.**

1545 Route 206, Suite 300  
Bedminster, NJ 07921-2567  
(908) 470-15445

**Network Access Solutions, Inc.**

100 Carpenter Drive, Suite 206  
Sterling, VA 20164  
(703) 742-7700

**Williams Communications, Inc. d/b/a Vyvx, Inc.**

2600 One Williams Center  
Tulsa, OK 74172  
(918) 573-6000  
(918) 573-0669 (Fax)

**Kentucky Data Link**

8829 Bon Street  
Overland Park, KS 66214

**Aeneas Communications, LLC**

301 S. Church Street  
Jackson, TN 38031  
901-425-9200

## **LIST OF EXHIBITS**

<b>EXHIBIT A:</b>	<b>ARTICLES OF INCORPORATION</b>
<b>EXHIBIT B:</b>	<b>AUTHORIZATION TO TRANSACT BUSINESS</b>
<b>EXHIBIT C:</b>	<b>CORPORATE STRUCTURE CHART</b>
<b>EXHIBIT D:</b>	<b>MANAGEMENT PROFILES</b>
<b>EXHIBIT E:</b>	<b>FINANCIAL STATEMENTS</b>
<b>EXHIBIT F:</b>	<b>THREE-YEAR PROJECTED FINANCIAL STATEMENTS</b>
<b>EXHIBIT G:</b>	<b>THREE-YEAR PROJECTED OPERATING EXPENDITURES AND REVENUES</b>
<b>EXHIBIT H:</b>	<b>SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PLAN</b>
<b>EXHIBIT I:</b>	<b>Y2K COMPLIANCE PLAN</b>

# **EXHIBIT A**

## **ARTICLES OF INCORPORATION**

# SECRETARY OF STATE



## CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **CONNECT!LD, INC.** did on **August 12, 1998** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on **August 17, 1998**.



*Dean Heller*

Secretary of State

BY *[Signature]*

Certification Clerk

**FILED**  
IN THE OFFICE OF THE  
SECRETARY OF STATE OF THE  
STATE OF NEVADA  
AUG-12-1998 09:55  
AUG 12 1998

C. T. CORP STL.

314 8631578 P.02/02

## Articles of Incorporation

(PURSUANT TO NRS 78)

STATE OF NEVADA

Secretary of State

Filing fee:  
Receipt #:

DEAN HELLER SECRETARY OF STATE

No. C 19097.98  
(For filing office use)

(For filing office use)

**IMPORTANT:** Read instructions on reverse side before completing this form.  
**TYPE OR PRINT (BLACK INK ONLY)**

1. NAME OF CORPORATION: CONNECTILD, Inc.
2. RESIDENT AGENT: (designated resident agent and his STREET ADDRESS in Nevada where process may be served)

Name of Resident Agent: THE CORPORATION TRUST COMPANY OF NEVADA

Street Address: One East First Street Reno, NV 89501  
Street No. Street Name City Zip

3. SHARES: (number of shares the corporation is authorized to issue)  
Number of shares with par value: \_\_\_\_\_ Par value: 0.00 Number of shares without par value: 100
4. GOVERNING BOARD: shall be styled as (check one): X Directors \_\_\_\_\_ Trustees \_\_\_\_\_  
The FIRST BOARD OF DIRECTORS shall consist of 1 members and the names and addresses are as follows (attach additional pages if necessary):  
Ted L. Snider, Jr. 124 W. Capital, Little Rock, Arkansas  
Name Address City/State/Zip

5. PURPOSE (optional - see reverse side): The purpose of the corporation shall be:  
Name Address City/State/Zip

6. OTHER MATTERS: This form includes the minimal statutory requirements to incorporate under NRS 78. You may attach additional information pursuant to NRS 78.037 or any other information you deem appropriate. If any of the additional information is contradictory to this form it cannot be filed and will be returned to you for correction. Number of pages attached: \_\_\_\_\_

7. SIGNATURES OF INCORPORATORS: The names and addresses of each of the incorporators signing the articles: (Signatures must be notarized)

(Attach additional pages if there are more than two incorporators.)

Jonathan Miles  
Name (print)  
1509 Central Avenue, Clayton, Missouri  
Address  
63105 City/State/Zip  
Signature

State of Missouri County of St. Louis

This instrument was acknowledged before me on  
August 12, 1998, by

Jonathan Miles

Name of Person

as incorporator

of CONNECTILD, Inc.

(name of party on behalf of whom instrument was executed)

SHANNON P. KISTER  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Shannon P. Kister  
St. Louis County  
My Commission Expires Jan. 20, 2002

M. S. Green  
Name (print)  
1509 Central Avenue, Clayton, Missouri  
Address  
63105 City/State/Zip  
Signature

State of Missouri County of St. Louis

This instrument was acknowledged before me on  
August 12, 1998, by

M. S. Green

Name of Person

as incorporator

of CONNECTILD, Inc.

(name of party on behalf of whom instrument was executed)

SHANNON P. KISTER  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Shannon P. Kister  
St. Louis County  
My Commission Expires Jan. 20, 2002

8. CERTIFICATE OF ACCEPTANCE OF APPOINTMENT OF RESIDENT AGENT

The Corporation Trust Company of Nevada hereby accept appointment as Resident Agent for the above named corporation.  
The Corporation Trust Company of Nevada By M. S. Green 8/12/98

Signature of Resident Agent

(Assistant Secretary)

Date

## **EXHIBIT B**

### **AUTHORIZATION TO TRANSACT BUSINESS**

# Secretary of State

## Corporations Section

James K. Polk Building, Suite 1800

shville, Tennessee 37243-0306

DATE: 05/11/99  
REQUEST NUMBER: 3683-0239  
TELEPHONE CONTACT: (615) 741-2286  
FILE DATE/TIME: 05/10/99 0851  
EFFECTIVE DATE/TIME: 05/10/99 0851  
CONTROL NUMBER: 0370678

TO:  
C T CORPORATION SYSTEM  
120 SOUTH CENTRAL AV  
CLAYTON, MO 63105

RE:  
CONNECT!LD, INC.  
APPLICATION FOR CERTIFICATE OF AUTHORITY -  
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF  
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE  
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE  
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN  
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE  
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE  
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS  
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED  
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION  
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR  
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -  
FOR PROFIT

ON DATE: 05/10/99

FROM:  
C T CORPORATION SYSTEM (CLAYTON, MO)  
120 S. CENTRAL AVENUE  
CLAYTON, MO 63105-0000

RECEIVED: FEES \$600.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$600.00  
RECEIPT NUMBER: 0000249616  
ACCOUNT NUMBER: 00282908



*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

SECRETARY OF STATE



**CERTIFICATE OF EXISTENCE  
WITH STATUS IN GOOD STANDING**

RECEIVED  
99 MAY 10 AM 8:51  
JOE L. DANIELL  
SECRETARY OF STATE

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, limited-liability companies, limited partnerships, and limited-liability partnerships pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **CONNECT!LD, INC.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since August 12, 1998, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed the Great Seal of State, at my office, in  
Carson City, Nevada, on April 29, 1999.



*Dean Heller*  
Secretary of State

By

*J. M. ...*  
Certification Clerk



FILED

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

Connect!LD, Inc.

RECEIVED  
OFFICE OF THE SECRETARY OF STATE  
TENNESSEE

99 MAY 10 AM 8:51

THEY DARNELL  
SECRETARY OF STATE

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is Connect!LD, Inc.

If different, the name under which the certificate of authority is to be obtained is \_\_\_\_\_

[NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).]

2. The state or country under whose law it is incorporated is Nevada

3. The date of its incorporation is - August 12, 1998 (must be month, day, and year), and the period of duration, if other than perpetual, is \_\_\_\_\_

4. The complete street address (including zip code) of its principal office is

124 W Capitol Ave Suite 250 Little Rock AR 72210

Street City State/Country Zip Code

5. The complete street address (including the county and the zip code) of its registered office in this state is

c/o C T CORPORATION SYSTEM, 530 Gay Street, Knoxville, Tennessee, Knox 37902

Street City/State County Zip Code

The name of its registered agent at that office is

C T CORPORATION SYSTEM

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Ted L. Snider, Jr. 124 W Capitol Ave Suite 250, Little Rock, AR 72201 - President/Secretary

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Ted L. Snider, Jr. 124 W Capitol Ave Suite 250, Little Rock, AR 72201

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is

\_\_\_\_\_, 19\_\_\_\_ (date), \_\_\_\_\_ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than one (1) month prior to the date the application is filed in this state.]

April 13, 1999  
Signature Date

President  
Signer's Capacity

Connect!LD, Inc.  
Name of Corporation

Ted L. Snider, Jr.  
Signature

Ted L. Snider, Jr.  
Named (typed or printed)



SS-4431 (rev. 7/93)

RDA 1678

## APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

Connect!LD, Inc.RECEIVED  
STATE OF TENNESSEE

To the Secretary of State of the State of Tennessee:

99 MAY 10 AM 8:51

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee and for that purpose sets forth:

R. L. SNIDER, JR.  
SECRETARY OF STATE1. The name of the corporation is Connect!LD, Inc.

If different, the name under which the certificate of authority is to be obtained is \_\_\_\_\_

[NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).]

2. The state or country under whose law it is incorporated is Nevada3. The date of its incorporation is August 12, 1998 (must be month, day, and year), and the period of duration, if other than perpetual, is \_\_\_\_\_

4. The complete street address (including zip code) of its principal office is

124 W Capitol Ave Suite 250 Little Rock AR 72210

Street

City

State/Country

Zip Code

5. The complete street address (including the county and the zip code) of its registered office in this state is

c/o C T CORPORATION SYSTEM, 530 Gay Street, Knoxville, Tennessee, Knox 37902

Street

City/State

County

Zip Code

The name of its registered agent at that office is

C T CORPORATION SYSTEM

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Ted L. Snider, Jr. 124 W Capitol Ave Suite 250 Little Rock, AR 72201

- President/Secretary

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Ted L. Snider, Jr. 124 W Capitol Ave Suite 250 Little Rock, AR 72201

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is

\_\_\_\_\_, 19\_\_\_\_ (date), \_\_\_\_\_ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than one (1) month prior to the date the application is filed in this state.]

April 13, 1999

Signature Date

President

Signer's Capacity

Connect!LD, Inc.

Name of Corporation



Signature

Ted L. Snider, Jr.

Named (typed or printed)

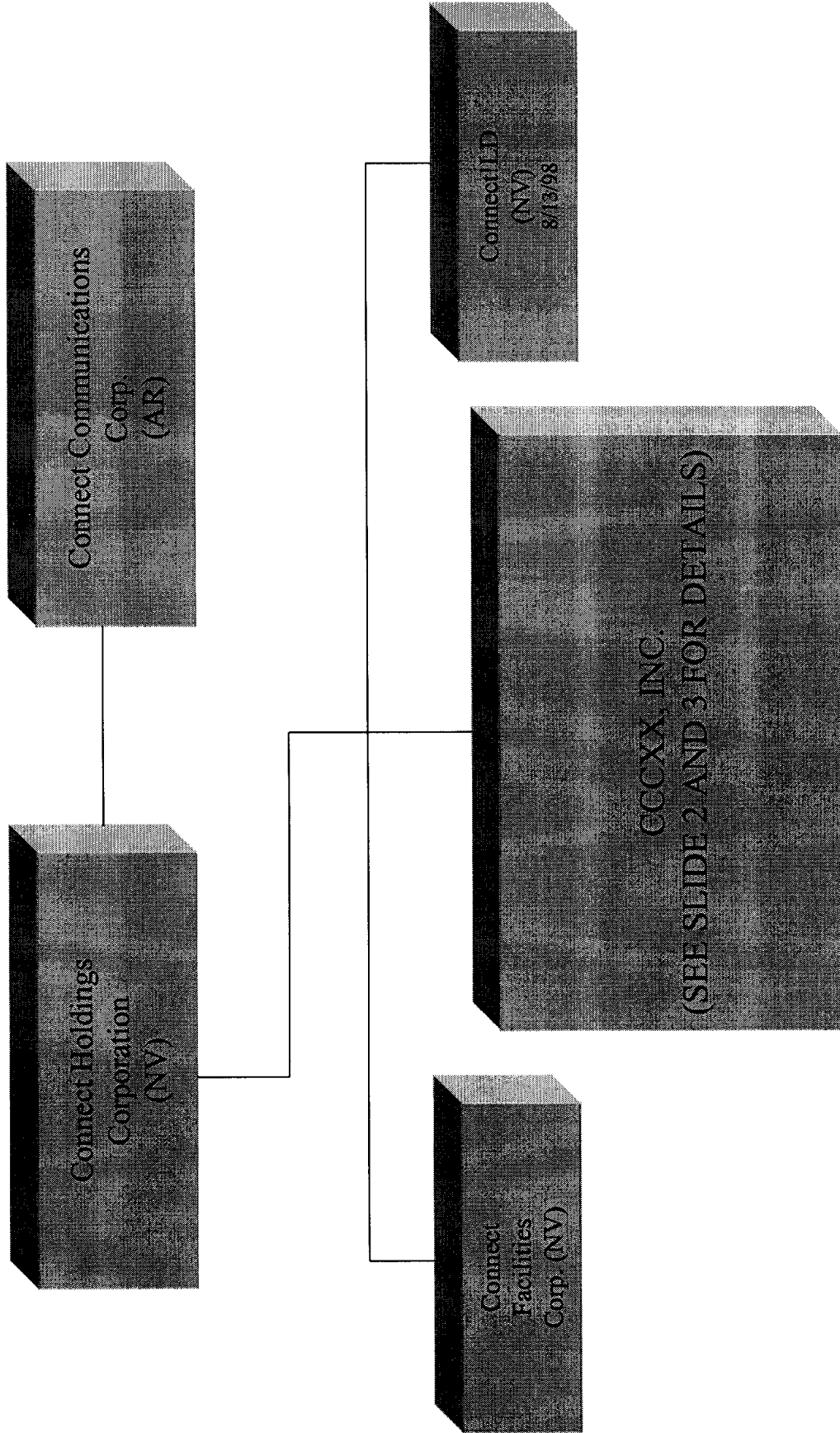


SS-4431 (rev. 7/93)

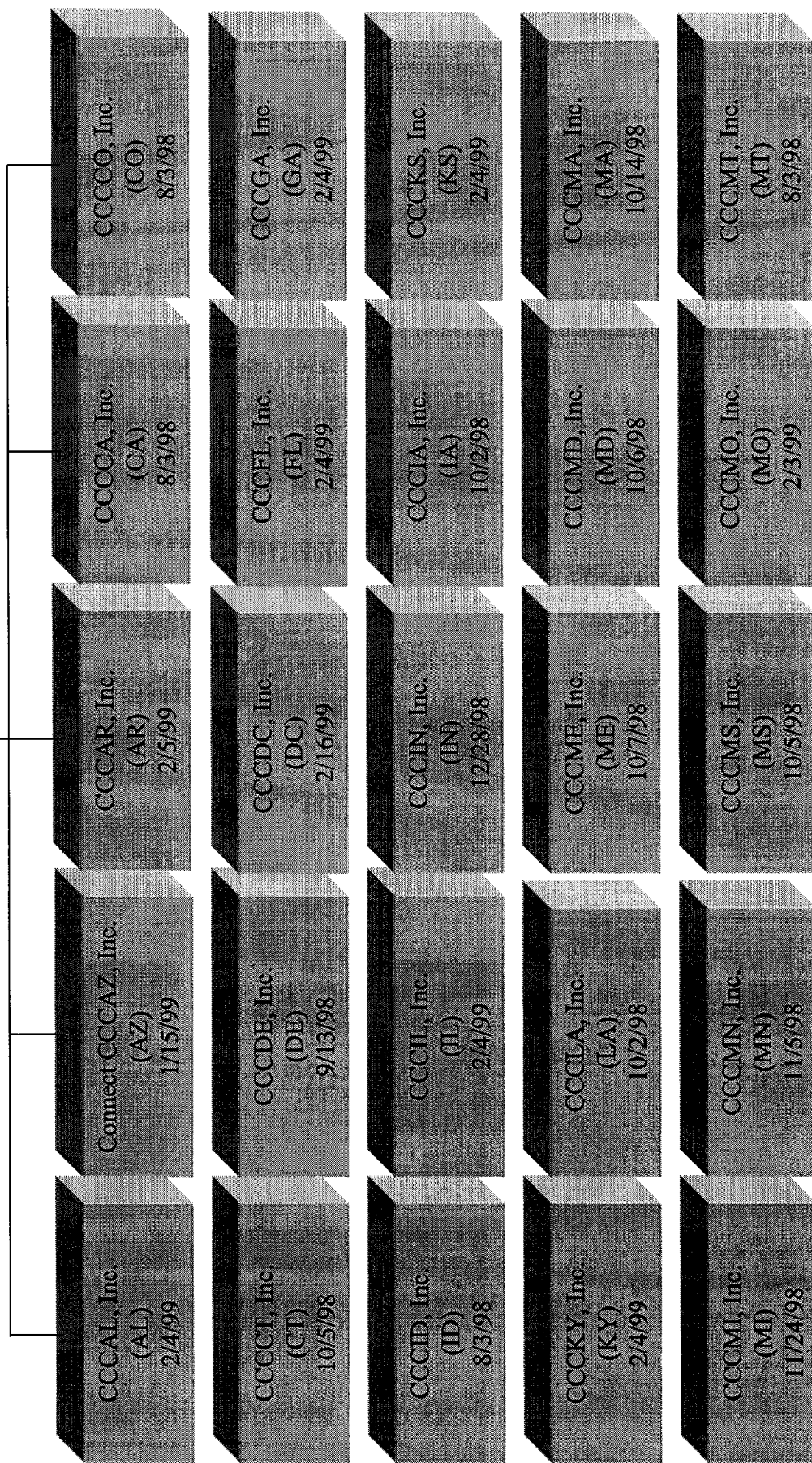
RDA 1678

**EXHIBIT C**

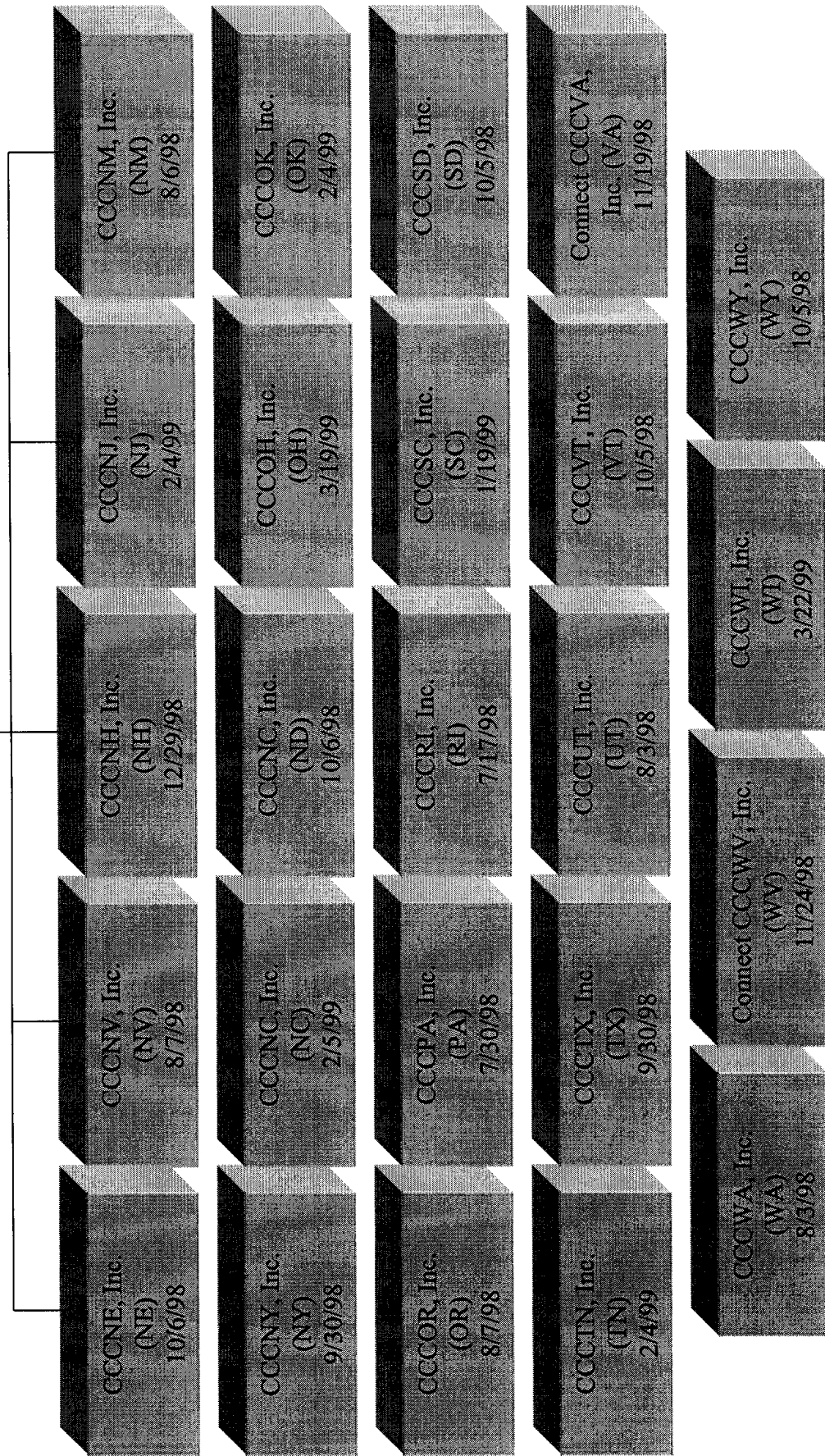
**CORPORATE STRUCTURE CHART**



CCCXX, INC.



CCCCXX, INC.





## **EXHIBIT D**

### **MANAGEMENT PROFILES**

## **CONNECT COMMUNICATIONS CORPORATION MANAGEMENT PROFILES**

### **TED L. SNIDER, Jr. – CHIEF EXECUTIVE OFFICER, SOLE STOCKHOLDER AND CHAIRMAN**

Mr. Snider has fifteen years of management experience, mostly in telecommunications. While building a company (sold in 1997) that operated radio stations, he also developed Snider Communications Corporation from a start-up to a company which serves over 10,000 customers with state-of-the-art technology and the largest paging system in Arkansas.

He received a Bachelor of Science degree in Systems Engineering from the U.S. Naval Academy as well as a Master of Business Administration degree from UCLA.

### **GLENN CUSTAR – CHIEF FINANCIAL OFFICER**

Mr. Custar has over twenty-seven years of financial and operations experience with more than fifteen years in senior management for telecommunication companies including MFS Intelenet, MCI and US Sprint Midwest. He most recently was SVP/CFO of ServiceNet, an Andersen Consulting enterprise.

Glenn earned his Bachelor of Science degree in Accounting from East Central Oklahoma State College, a Master of Science degree in Accounting from the University of Kansas, and a Master of Business Administration from Rockhurst College.

### **BILL JESTER – DIRECTOR OF OPERATIONS**

Mr. Jester has twenty years experience in the business sector, with an emphasis on Business Development and Marketing/Sales. He spent eleven years as president for two companies and has nine years experience in management. He also served 42 years in the U.S. Army and retired as a Major General.

He holds a Bachelor of Science in Business Administration, along with a MBA in management and finance from the University of Arkansas.

### **RICHARD SPAVINS – DIRECTOR OF NETWORK ENGINEERING**

Mr. Spavins has worked in the telecommunications field for the last 34 years. He has extensive experience in installation of office and plant PBX systems, cable networks, and installation of Powertel switches. Mr. Spavins was employed at APCo for fifteen years, American Mobilphone for thirteen years, Metrex



Communications Group for three years, and Powertel for two years. He is in charge of installation as well as maintenance of the Harris switches nation-wide.

He was granted a bachelor's degree in Electrical Engineering from Auburn University March 1971. He is a registered Professional Engineer in the States of Alabama and Louisiana with a General Radiotelephone License With Radar Endorsement. He has certification for Rolm CBX and GTD 1000 & 120 PBX.

#### ED MOORE – DIRECTOR OF REGULATORY AFFAIRS

Mr. Moore has spent twenty-eight years in the telecommunications industry, fourteen each with Southwestern Bell and AT&T. He worked primarily in the area of network design, planning and administration for Southwestern Bell, and in regulatory and legislative management for AT&T.

He received a bachelor's degree in mathematics and physics from the University of Central Arkansas.

#### SHANNON LIGON– HUMAN RESOURCES DIRECTOR

Ms. Ligon has eight years experience in Human Resources. She served as the Vice President of Human Resources for a 500 person manufacturing company and spent over three years with Anderson Consulting as a Manager in the Change Management Group in a variety of industries, including telecom.

She received a Bachelor of Arts degree in Political Science and Business Administration from Vanderbilt University and has her Professional of Human Resource certification from SHRM.

#### CAL ARNOLD – DIRECTOR OF MARKETING

Mr. Arnold spent 26 years managing commercial radio stations including fifteen years as an owner. Most recently he served as General Manager of a ten radio station cluster plus a state radio network for Citadel Communications. His overall experience has been in planning, problem solving, operations and sales.

He received a Bachelor of Arts in Radio and Television, and a Master of Arts in Mass Communications, both from Baylor University.

#### PHILLIP KENNEDY – NETWORK OPERATIONS MANAGER

Mr. Kennedy has spent eighteen years in the telecommunications industry. He has experience managing Network Operations, Switching Center Operations, and LAN management. He has been a Supervisor of operating facilities that processed data for invoicing of all calls switched, collected, rated, and billed. Mr. Kennedy worked for Universal Network Services, Inc. for nine years, Metromedia/LDS Long Distance for six years, Infra-Pak, Inc., for three years, and was a Telecommunications Technician for the Army National Guard Reserves for seven years.

He has received Certification of Database, Maintenance, and MSP40 form DSC and Certification on MVP Operations and Maintenance from Glenayre.

#### DAVE GRANERE – WESTERN REGIONAL MANAGER

Mr. Granere has spent eighteen years in the telecommunications industry. He has managed all aspects of daily operations that include: field services, switch management, provisioning, dispatch circuit design, network design, and traffic management. He has worked closely with the Regulatory Agencies located in the Western Regions of the United States. Mr. Granere has also worked within the Supervisory Sphere; hiring and staffing, training and resource development, administrative action and personnel budgets. He has extensive knowledge of switching technologies and network systems, design and ordering of voice and data network services, installation and implementation of systems and network components from start to finish, and establishment of "customer care" call centers. He worked closely with major long distance companies, negotiating service agreements, terms and conditions, and developed a thorough understanding of the local and federal (FCC) tariffs that govern the extent and methods to which services can be applied.

Mr. Granere received a Bachelor of Science in History from the University of Utah.

#### STEPHEN D. CROW – SOUTHEAST REGIONAL MANAGER

Mr. Crow has spent the last 20 years in the telecommunications industry. Beginning with the CATV industry in 1979 and most recently with MobileComm, Inc.; the United States second largest paging provider. During his tenure he has been responsible for all facets of technical operations from field service to plant design engineer with Kern Valley Cable T.V. to Regional Technical Director S/E with MobileComm.

Mr. Crow served an active duty tour with the United States Army, Signal Corps from 1981 through 1985 and then completed an additional four enlistment's with United States Army Ready Reserve.

Industry Certifications include:

“Strategic Microwave Radio Repair”

CY-104, Crypto. Service and Repair.

Hughes AML Microwave School.

Centigram Service and Repair.

Onan Emergency Power Transfer Equipment, R&M.

# **EXHIBIT E**

## **FINANCIAL STATEMENTS OF CONNECT COMMUNICATIONS CORP.**

**[CONFIDENTIAL AND PROPRIETARY –FILED UNDER SEAL]**

## **EXHIBIT E**

### **BALANCE SHEET**

**[CONFIDENTIAL AND PROPRIETARY –FILED UNDER SEAL]**

## **EXHIBIT E**

### **STATEMENT OF OPERATIONS**

**[CONFIDENTIAL AND PROPRIETARY – FILED UNDER SEAL]**

## **EXHIBIT E**

### **CASH FLOW STATEMENT**

**[CONFIDENTIAL AND PROPRIETARY – FILED UNDER SEAL]**

## **EXHIBIT F**

### **THREE YEAR PROJECTED FINANCIAL STATEMENTS OF CONNECT!LD AND CONNECT COMMUNICATIONS CORP.**

**[CONFIDENTIAL AND PROPRIETARY – FILED UNDER SEAL]**



## **EXHIBIT G**

### **THREE YEAR PROJECTED OPERATING EXPENDITURES & REVENUES FOR THE STATE OF TENNESSEE**

**[CONFIDENTIAL AND PROPRIETARY – FILED UNDER SEAL]**

# **EXHIBIT H**

## **SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN**

**CONNECT!LD  
APPLICATION FOR CPCN  
TENNESSEE  
EXHIBIT H**

**CONNECT!LD  
APPLICATION FOR CPCN  
TENNESSEE  
EXHIBIT H**

## **EXHIBIT H**

### **SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN**

*“Minority-Owned Telecommunications Business”* – As defined in the Act and in TENN. CODE ANN. § 65-5-212, a telecommunications business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls the daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000), or as otherwise modified or amended in the future by the legislature for the State of Tennessee.

- a. *“Personally Manages”* in this context shall mean actively involved in the day-to-day management.
- b. *“Controls”* in this context shall mean exercising the power to make policy decisions.
- c. *“Who is impeded from normal entry”* in this context shall individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their qualities as individuals and as provided in the regulation implementing Section B(a) and 7(j) of the Small Business Act, as amended by the Business Opportunity Development Reform Act of 1988, and Business Opportunity Development Reform Act Technical Corrections Act, (15 U.S.C. 67(a) and 636(j)), as amended by Pub. L. 100-656 and Pub. L. 101-37.

*“Small Telecommunications Business”* - A telecommunications company with annual gross receipts of less than four million dollars (\$4,000,000), or as otherwise modified or amended in the future by the legislature for the State of Tennessee.

*“Subcontract”* - Any agreement (other than one involving an employer-employee relationship) entered into by Connect!LD with a non-affiliated company or individual calling for the direct or indirect purchase of raw materials, components, supplies and services needed to support Connect!LD's operations.

**IMPLEMENTATION OF PLAN:**

Where appropriate, Connect!LD will invite bids, issue requests for proposals, or otherwise solicit offers from small and minority-owned telecommunications businesses to furnish specified goods or services to Connect!LD in furtherance of its Tennessee operations, except in the case of emergencies, or in such cases where Connect!LD is bound by contract to purchase goods and services from other sources.

**ADMINISTRATION OF PLAN:**

In conducting its business affairs in Tennessee, Connect!LD will appoint one of its employees as the Administrator of the Plan. The Administrator will be responsible for identifying and utilizing available resources for identifying small telecommunications and minority-owned telecommunications businesses interested in and qualified to furnish goods and services to Connect!LD in Tennessee. The Administrator also will be responsible for cultivating an awareness among such business entities with respect to potential opportunities to develop business relations with Connect!LD.

As an affiliate of a newly-created company that is yet not operational in any area outside of Arkansas and Rhode Island, Connect!LD currently does not have in place any specific programs for offering technical assistance to outside sources. However, the Administrator will endeavor to serve as resource for technical assistance to small and minority-owned telecommunications business, and will refer such businesses to sources of information and technical assistance, internal and external, where feasible.

**PLAN ADMINISTRATOR:**

The administration of this Plan will be under the direction of (hereinafter called the "Administrator"):

C. W. Miller, Site Acquisition Manager  
Connect!LD, Inc.  
124 West Capitol Avenue  
Suite 250  
Little Rock, AR 72201  
Telephone: (501) 401-7700  
Facsimile: (501) 401-7799

The duties of the Administrator include the following:

1. To develop Company policies and procedures relating to the Plan.
2. To search for and develop opportunities to use qualified small and minority-owned telecommunications businesses to participate in and bid on contracts and subcontracts to supply goods and services to Connect!LD by utilizing the following resources, where available:
  - a. The United States Department of Commerce, Office of Minority Business Data Center, the Small Business Administration and its Procurement Automated Source System ("PASS") and its Office of Minority Small Business and Capital Ownership Development; the Tennessee Chamber of

- Commerce; the Tennessee Department of Economic and Community Development; the National Minority Supplier Development Council; the National Association of Women Business Owners; the National Association of Minority Contractors.
- b. Local and national associations, and minority supplier development councils.
  - c. Trade fairs and industry meetings.
  - d. Advertisement in industry and local publications.
3. To establish and maintain an updated Plan and related documentation that are consistent with the current rules, orders and policies of the Tennessee Regulatory Authority regarding small and minority-owned telecommunications businesses, and that are in full compliance with TENN. CODE ANN. § 65-5-212.
  4. To prepare and submit such information and documentation as may be required by the Tennessee Regulatory Authority.
  5. To cooperate with the Tennessee Regulatory Authority and with other agencies of the State of Tennessee to find and utilize, where possible, the qualified business entities defined herein.
  6. To support activities for assisting potential buyers in locating and qualifying the types of business concerns identified herein.
  9. To cooperate in any authorized surveys by the Tennessee Regulatory Authority.
  10. To provide information and educational activities to Connect!LD personnel and to train such persons to seek out, encourage, and promote the use of small and minority-owned telecommunications businesses.

**COMPLIANCE REPORTS:**

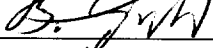
Connect!LD will submit such reports as may be required for use in connection with subcontracting plans by the Tennessee Regulatory Authority and/or the State of Tennessee. Connect!LD will cooperate to the fullest extent possible with all reasonable and appropriate surveys or studies required by the contracting agency for purposes of determining compliance with the State's small and minority-owned telecommunications business participation program. However, Connect!LD reserves the right to designate any documents, reports, surveys, studies or information submitted for this purpose as "confidential" or "proprietary."

**RECORD MAINTENANCE:**

Connect!LD will maintain records relating to its Small and Minority-Owned Telecommunications Business Participation Plan for purposes of evidencing the Company's implementation of this policy, for use by Connect!LD in evaluating the effectiveness and in achieving the goals of its Plan, and for the Company's use in updating the Plan on an annual basis with the Tennessee Regulatory Authority, or as otherwise required.

ADOPTED THIS 25 day of October, 1999.

Connect!LD, Inc.

By:   
Bill Jester, Vice President and Director of Operations,  
Connect Communications Corp.

## **EXHIBIT I**

### **Y2K COMPLIANCE PLAN**





November 1, 1999

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-5015

Dear Mr. Waddell:

This letter is in response to your inquiry regarding Connect!LD's preparation for Year 2000.

Connect!LD was incorporated and certified in Nevada as a competitive interexchange carrier on August 12, 1998. Connect!LD was authorized to transact business in Tennessee on May 10, 1999. Our network devices and associated management systems are based on new hardware and software – new technology that is represented by our vendors to be Y2K compliant. We have no legacy application environments that require extensive replacement or repair.

The present telecommunications environment is dependent upon network interconnections between ILECs, IXCs, CAPs, CLECs as well as other equipment and service providers. As a result, in addition to our internal Year 2000 compliance efforts, we are dependent upon the readiness of these related entities to avoid potential service impacts.

The following activities have been completed or are in progress:

- Compilation of inventory
- Assessment of inventory subject to Year 2000 issues
- Determination of the remediation steps required, if any, to make equipment compliant as identified by vendors
- Application of vendor-recommended remediation steps
- Testing of remediated equipment where appropriate
- Contingency planning

The phases of our efforts for our operations in Tennessee include:

- |                        |           |
|------------------------|-----------|
| • Inventory            | Completed |
| • Assessment           | Completed |
| • Determination        | Completed |
| • Remediation          | Completed |
| • Testing              | Completed |
| • Contingency Planning | Completed |

124 West Capitol Ave.  
Suite 250  
Little Rock, AR 72201  
501.401.7700  
Fax: 501.401.7799

Connect!LD has completed the steps necessary to ensure its critical equipment, operational support systems and facilities which impact Tennessee residents are Year 2000 compliant. If you have any questions about Connect!LD's Year 2000 compliance efforts, please contact the undersigned at Sgarrett@connect.com or (501) 401-7720.

Best Regards,



Steven Alan Garrett  
IT Director